

Sec. 5. Section 450.10, subsection 3, unnumbered paragraph 1, Code 1997, is amended to read as follows:

When the property or interest in property or income from property, taxable under this chapter, passes to a person not included in subsections 1, 2, and 7, the rate of tax imposed on the individual share so passing shall be as follows:

Sec. 6. Section 450.10, subsection 6, Code 1997, is amended to read as follows:

6. When the property or any interest ~~therein~~ in property, or income ~~therefrom~~ from property, taxable under ~~the provisions of this chapter~~ passes to any person included under subsection 1 ~~or 2 hereof~~, there shall be credited to the tax imposed on the individual share so passing an amount equal to the tax imposed in this state on the decedent on any property, real, personal or mixed, or the proportionate share thereof on property passing to the person taxed hereunder, which can be identified as having been received by the decedent as a share in the estate of any person who died within two years prior to the death of the decedent, or which can be identified as having been acquired by the decedent in exchange for property so received. The credit shall not be applicable to taxes on property of the decedent which was not acquired from the prior estate.

Sec. 7. Section 450.10, subsection 7, Code 1997, is amended to read as follows:

7. Property, interest in property, or income passing to the surviving spouse, and parents, grandparents, great-grandparents, and other lineal ascendants, children including legally adopted children and biological children entitled to inherit under the laws of this state, stepchildren, and grandchildren, great-grandchildren, and other lineal descendants, is not taxable under this section.

Sec. 8. This Act applies to estates of decedents dying on or after July 1, 1997.

Approved February 10, 1997

CHAPTER 2

EX-PRISONER OF WAR MOTOR VEHICLE PLATES

S.F. 5

AN ACT relating to the registration fee for ex-prisoner of war motor vehicle plates and providing an effective date and a retroactive applicability date.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 321.34, Code 1997, is amended by adding the following new subsection:

NEW SUBSECTION. 8A. EX-PRISONER OF WAR SPECIAL PLATES. The owner of a motor vehicle subject to registration under section 321.109, subsection 1, light delivery truck, panel delivery truck, or pickup who was a prisoner of war during the Second World War at any time between December 7, 1941, and December 31, 1946, the Korean Conflict at any time between June 25, 1950, and January 31, 1955, or the Vietnam Conflict at any time between August 5, 1964, and June 30, 1973, all dates inclusive, may, upon written application to the department, order only one set of special registration plates with an ex-prisoner of war processed emblem. The emblem shall be designed by the department in cooperation with the adjutant general and shall signify that the owner was a prisoner of war as described in this subsection. The application is subject to approval by the department, in

consultation with the adjutant general. The special plates shall be issued at no charge and are subject to an annual fee registration of fifteen dollars. The county treasurer shall validate the special plates in the same manner as regular registration plates are validated under this section.

The surviving spouse of a person who was issued special plates under this subsection may continue to use the special plates subject to registration of the special plates in the surviving spouse's name and upon payment of the annual registration fee. If the surviving spouse remarries, the surviving spouse shall return the special plates to the department and the department shall issue regular registration plates to the surviving spouse.

Sec. 2. Section 321.34, subsection 15, Code 1997, is amended by striking the subsection.

Sec. 3. A person eligible to be issued ex-prisoner of war special plates who ordered and paid for the special plates on or after January 1, 1997, but prior to the effective date of this Act shall be entitled to a refund from the state department of transportation of all fees in excess of fifteen dollars paid for issuance of one set of the special plates. A person eligible for a refund under this section shall submit a claim for a refund to the state department of transportation on a form for that purpose obtained from the county treasurer. Notwithstanding any provision of the Code to the contrary, refunds shall be paid by the department from registration fees deposited in the road use tax fund under section 321.145.

A person who obtained more than one set of special plates under section 321.34, subsection 15, shall surrender the additional sets of special plates not later than the end of the registration year for which the plates were issued. A refund shall not be issued for additional sets of special plates.

Sec. 4. EFFECTIVE AND APPLICABILITY DATE. This Act, being deemed of immediate importance, takes effect upon enactment and is retroactively applicable to January 1, 1997.

Approved February 18, 1997

CHAPTER 3

MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES SERVICES FUND — LEVY REVISION PROCEDURES

S.F. 145

AN ACT relating to the county mental health, mental retardation, and developmental disabilities services fund levy by providing a procedure for a county to make revisions affecting the services fund levy and other levies, and providing an effective date.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. MENTAL HEALTH, MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES SERVICES FUND LEVY REVISIONS.

1. For the purposes of this section, "base year expenditures" and "qualified mental health, mental retardation, and developmental disabilities services" mean the same as provided in section 331.438, and "services fund" means the same as provided in section 331.424A.

2. A county may request approval of the county finance committee in accordance with this section for revision of the county's base year expenditures amount. A county is eligible for a revision if the county made a major error in establishing the county's base year expenditures amount by underreporting the county's qualified mental health, mental retardation,